



OKLAHOMA FARM BUREAU

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**STATEMENT OF STEVE KOUPLIN
PRESIDENT OF THE OKLAHOMA FARM BUREAU
AND DIRECTOR ON THE
AMERICAN FARM BUREAU FEDERATION BOARD
TO THE U.S. HOUSE OF REPRESENTATIVES AGRICULTURE
SUBCOMMITTEE
ON CONSERVATION, CREDIT, RURAL DEVELOPMENT AND RESEARCH**

SEPTEMBER 18, 2006

Hello. My name is Steve Kouplen. I am president of the Oklahoma Farm Bureau (OFB) and a member of the board of directors of the American Farm Bureau Federation (AFBF). Nationally, Farm Bureau represents the majority of agricultural producers in the country. Oklahoma Farm Bureau is the largest agriculture organization in our state with more than 162,000 member families.

I am a cow-calf producer from Beggs in Okmulgee County in the eastern part of Oklahoma. Mr. Chairman and members of the Committee, thank you for taking the time to hold this hearing. Our nation's farmers and ranchers have a lot at stake in the Farm Bill debate and we appreciate your willingness to listen to our ideas and concerns.

The face of production agriculture has changed considerably since the enactment of the 2002 Farm Bill. Unpredictable weather conditions and markets, uncertainties in international trade and increased input costs have formed turbulent times for farmers and ranchers. Oklahoma producers in particular have experienced hardship this year due to widespread drought including severe losses in crop, hay and livestock production. In addition to the drought, skyrocketing fuel, fertilizer and other energy related inputs have raised our production costs.

The majority of those involved in production agriculture throughout this country will tell you that their ultimate policy vision would be a “level playing field” or a “chance to compete in open markets.” Farm Bureau shares this vision; farmers and ranchers should live in a world where they are allowed to compete in open markets without tariff barriers, without export subsidies, without currency manipulations and yes, without production-distorting domestic subsidies. Most, if not all of Oklahoma's producers, will tell you that they would prefer getting their income from the marketplace rather than from government payments. This ideal could become a reality if all trade barriers are removed and the playing field is leveled for U.S. agricultural producers.

In order to bridge the gap between where we are now and where we want to be in the future will require time and transitional policies. The short-term reality is that we will continue to need a safety net in years that revenues decline in response to low yields and/or low prices combined with the high costs of doing business, which is currently the case for many agricultural producers today.

As the focus moves to the 2007 Farm Bill, it is vital that Congress and the USDA build upon the success of the current Farm Bill and implement policies that help make the United States a place where producers have the ability to remain in production agriculture and expand their operations if so desired. As the average age of producers continues to rise, we need to identify ways to assist beginning farmers and ranchers who are interested in production agriculture.

Since the World Trade Organizations (WTO) talks were indefinitely suspended in July and it is uncertain when the talks will resume, Farm Bureau supports extending the current Farm Bill for at least one year, after making minor adjustments to comply with recent WTO rulings. An extension will provide our farmers and ranchers with the consistent support they need given the current inequities of the global marketplace.

The U.S. should not unilaterally disarm our farm programs or give up negotiating opportunities when our trade partners remain unwilling to take the same steps. We should continue to work towards an agreement in the WTO, as well as bilateral and regional trade agreements that accomplish our objectives to free up trade. When this is accomplished, we can modify our domestic programs accordingly, and to the extent necessary, based on the final outcome of the WTO negotiations.

We continue to support the Doha Round. Third-party studies by the World Bank and the Organization for Economic Cooperation and Development show that gains to developing countries from agricultural reform come almost entirely from tariff cuts rather than domestic support reforms. Farm Bureau has repeatedly indicated a willingness to adjust our farm programs when there are real gains to be had from lower tariffs around the world.

We are committed to the potential of multilateral, regional, and bilateral trade negotiations and strongly support the renewal of Trade Promotion Authority (TPA) when it expires in 2007. Extending TPA will allow the executive branch to continue negotiating regional and bilateral trade agreements that benefit American agriculture until a comprehensive WTO agreement is struck that allows multilateral agreements to proceed.

While we support a one-year extension of the current Farm Bill, that should not prevent those of us in agriculture from continuing further policy discussions in preparation for the next Farm Bill. Oklahoma producers are generally pleased with the current farm program. The 2002 Farm Bill has worked well in providing a safety net for producers when commodity prices are low.

When crop prices are low and costs are high, no farm is immune to difficulty, especially those with greater risks. Families responsible for providing America's food and fiber receive payments based on current and historical production rates. Time and again, this has proven to be the best manner for distributing assistance to the farmers our country depends on through thick and thin for a safe, affordable and abundant food supply.

Many producers are facing severe financial risk because of a significant hole that has developed in the safety net. The problem lies in the fact that while crop insurance is a useful tool to deal with production risks, coverage levels continue to decline in times of multi-year droughts. Since the amount of coverage depends on the average yields of previous years, every consecutive year of drought drives down the amount of insurance farmers can buy for their crops.

To address the issue of supporting revenue rather than prices, maybe consideration should be given to combining the farm program with the crop insurance program that pays producers based on revenue shortfalls. At a minimum, crop insurance subsidy levels need to be high enough to allow producers to purchase a higher level of coverage.

Mr. Chairman and Members of the Committee, there is one more issue other than the Farm Bill that I would like to mention today and that is the recent demotion and subsequent early retirement of our state conservationist Darrel Dominick. Darrel's forced retirement was unwarranted. Darrel's character and commitment to working with partners in conservation was beyond reproach. Oklahoma producers and the conservation community deserve some accountability from the USDA on this issue.

Thank you again for the opportunity to share our thoughts with you. I would be happy to answer any questions you may have.

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In 1999, farmer-rancher Steve Kouplen was elected president of the Oklahoma Farm Bureau, the state's largest agricultural organization. Oklahoma Farm Bureau has more than 162,000 member families. Kouplen also serves on the American Farm Bureau Federation Board of Directors.

Kouplen is a lifetime resident of Beggs in Okmulgee County, Oklahoma, where he has a commercial Hereford cow-calf operation. In addition to his cow herd, Kouplen grows wheat, milo and alfalfa.

Kouplen is a graduate of Oklahoma State University, in Stillwater, Oklahoma, with a bachelor's and a master's degree in agricultural education. He is a past chairman of the Oklahoma Beef Industry Council. Always active in local community affairs, Kouplen has served on the boards of the East Central Electric Cooperative, Beggs School District, Okmulgee County Fair Board, his local Farm Services Agency Committee, and Okmulgee County Rural Water District #6.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: Steve Kouplen
Address: 5910 Garfield Road
Telephone: 405-523-2458
Organization you represent (if any): Oklahoma Farm Bureau

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: U.S. Fish and Wildlife Service Amount: \$160,000

Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: Steve Kouplen

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.